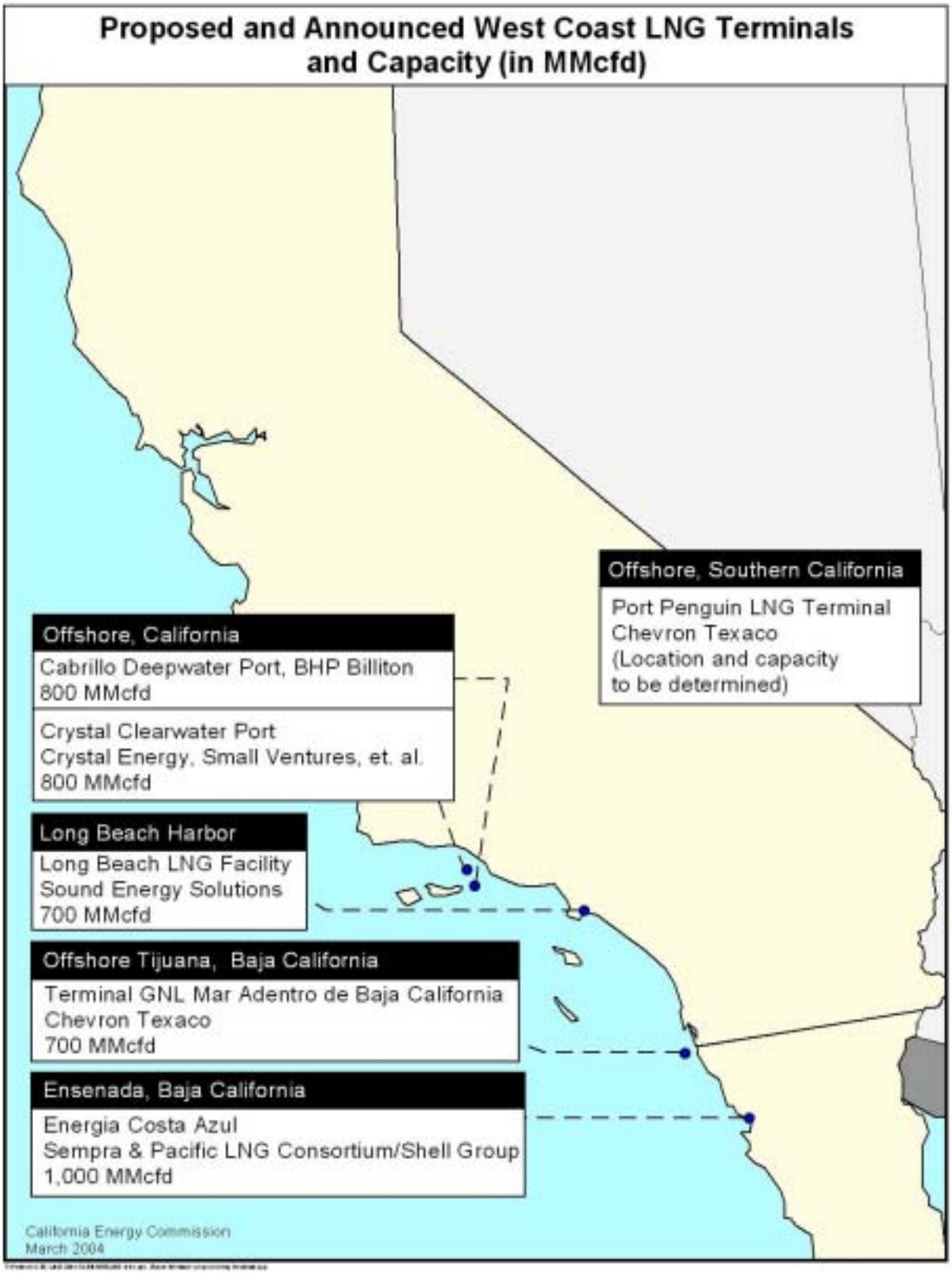
WEST COAST LNG PROJECTS


Proposed and Announced West Coast LNG Terminals and Capacity (in MMcfd)
Offshore, Southern California
Port Penguin LNG Terminal
Chevron Texaco
(Location and capacity to be determined)
Offshore, California
Cabrillo Deepwater Port, BHP Billiton
800 MMcfd
Crystal Clearwater Port
Crystal Energy, Small Ventures, et. al.
800 MMcfd
Long Beach Harbor
Long Beach LNG Facility
Sound Energy Solutions
700 MMcfd
Offshore Tijuana, Baja California
Terminal GNL Mar Adentro de Baja California
Chevron Texaco
700 MMcfd
Ensenada, Baja California
Energia Costa Azul
Sempra & Pacific LNG Consortium/Shell Group
1,000 MMcfd
California Energy Commission
March 2004

Cherry Point LNG Terminal

Washington Location: The Cherry Point LNG Terminal project would potentially be located at one of three sites – Cherry Point near the Port of Bellingham; Grays Harbor in Grays Harbor County; or near Longview, in Cowlitz County. A final location has not been determined.

Owner/Website: Cherry Point LLC; website unavailable at this time.

Project Manager: Spiro Vassilopoulos, President of the New York-based Cherry Point LLC

Description: Project design plans are unavailable at this time.

Average Natural Gas Production Capacity: 450-500 Mmcfd

Peak Natural Gas Production Capacity: Unknown

LNG Storage Capacity: Unknown

Tentative LNG Sources*: Australia, Russia, Indonesia

Possible Markets: Washington, Oregon, Southern British Columbia, and Northern California

Approximate Project Cost: $400 Million

Status: Cherry Point LLC hopes to file applications with FERC (www.ferc.gov) and the Washington Energy Facilities Site Evaluation Council (EFSEC, http://www.efsec.wa.gov/) as early as September 2004.

Siting Process: Joint EIS with FERC as lead NEPA agency and the EFSEC as the lead State Energy Policy Act (SEPA) agency. The EFSEC retains an independent consultant to prepare the EIS. The EFSEC must hold a land use hearing to ascertain if the proposed project is consistent with county or regional land use plans or ordinances. The EFSEC processes air and water permits if needed. A draft Site Certification Agreement (SCA) is prepared then given to the Governor for signature. The Governor considers the EFSECs recommendation and can approve or reject the application or direct the EFSEC to reconsider aspects of the project or draft SCA.

Projected On-Line Date: 2008

*Sources of LNG are tentative until the final contract is signed.

Sources of information: The Bellingham Herald, March 25, 2004; Reuters Power News, February 3, 2004; California Energy Markets, February 13, 2004, No. 758; the Washington Energy Facilities Site Evaluation Council website.

Long Beach LNG Import Terminal

Southern California Location: The Long Beach LNG Facility project would be located on Pier T, Berth 126, on Terminal Island in the Port of Long Beach, Los Angeles County. It would occupy approximately 27 acres.

Owner/Website: California LNG Project Corporation dba Sound Energy Solutions (SES), a subsidiary of Mitsubishi Corporation; http://www.soundenergysolutions.com

Project Manager: Thomas E. Giles, (562) 495-9875, thomasegiles@earthlink.com

Description: This import facility would include an LNG carrier berth, two full-containment storage tanks, shell and tube vaporizers, metering and odorizing facilities, equipment for recovering and storing natural gas liquids, LNG vehicle fuel truck-loading facility, and a new 2.3-mile natural gas pipeline connecting to an existing Southern California Gas Company (SoCal Gas) pipeline.

Average Natural Gas Production Capacity: 700 MMcfd

Peak Natural Gas Production Capacity: 1,000 MMcfd

LNG Storage Capacity: 320,000m^3 (two tanks)

Tentative LNG Sources*: Australia, Malaysia, and Alaska

Possible Markets: Southern California non-core customers, including electricity generators; municipal and investor–owned utilities, and, LNG vehicle fleets

Approximate Project Cost: $400 million

Status: Environmental Impact Statement (EIS)/Environmental Impact Report (EIR) is being prepared.

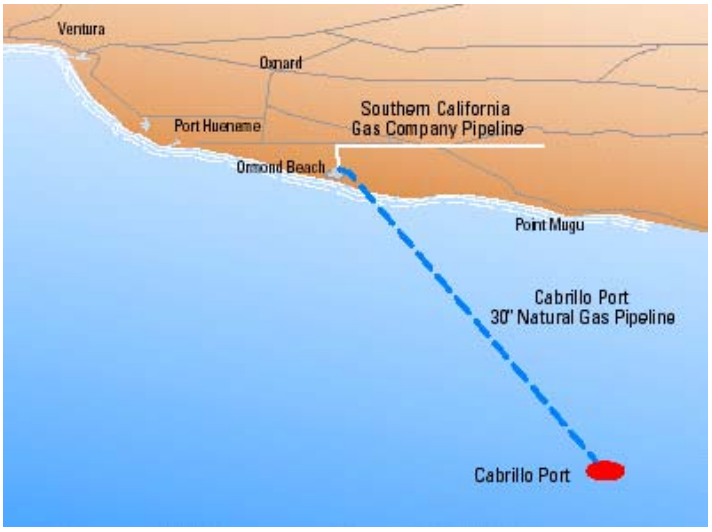
Siting Process: SES participated in FERC's (www.ferc.gov) prefiling process during which FERC and the Port of Long Beach (www.polb.com) filed a Notice of Intent/Notice of Preparation of a Draft EIS/EIR on 9/22/03 followed by a supplemental notice on 11/10/03. The SES application to FERC was accepted on 1/26/04. A joint EIS/EIR will be prepared with FERC as NEPA lead agency and Port of Long Beach as CEQA lead agency for the LNG terminal. The Public Utilities Commission has asserted jurisdiction, requiring terminal developers to apply for a Certificate of Public Convenience and Necessity. The POLB and California Coastal Commission will evaluate the project's consistency with the Port Master Plan, the California Coastal Act, and federal Coastal Zone Management Plan. Amendment to the Port Master Plan must precede Port of Long Beach approval of a site lease.

Projected On-Line Date: 2008; SES would need four years to complete construction from date of FERC approval.

* Sources of LNG are tentative until the final contract is signed.

Sources of information: Sound Energy Solutions website; FERC website, Docket # CP04-58; Port of Long Beach website.

Cabrillo Deepwater Port LNG Facility



Southern California Location: The Cabrillo Deepwater Port LNG Facility project would be located approximately 14 miles from shore, 21 miles from Anacapa Island and 18 miles from the boundary of Channel Island Marine Sanctuary off the coast of Ventura County.

Owner/Website: BHP Billiton, http://lngsolutions.bhpbilliton.com/overview.asp

Project Manager:
Steven R. Meheen, (805) 604-2790, Steven.R.Meheen@BHPBilliton.com

Description: This import facility (floating storage & regasification unit, FSRU) would be permanently moored offshore. The maximum water depth at the mooring would be about 2,900 feet. This facility would include three independent Moss spherical storage tanks mounted within the hull, accommodations for personnel, ship berthing and mooring system, and eight vaporizers for regasification. At the mooring point, three 14" flexible mooring riser pipes and a pipeline end manifold on the sea floor would connect to a new underwater, 21.1-mile, 30" pipeline. This pipeline would be buried as it approaches shore north of the Ormond Beach Generating Station in Ventura County and would connect to a Southern California Gas Company (SoCal Gas) pipeline. No extensive onshore facilities would be constructed for this project. The FSRU would be approximately 14 miles offshore and would only be visible from elevated locations.

Average Natural Gas Production Capacity: 800 MMcfd

Peak Natural Gas Production Capacity: 1,500 MMcfd

LNG Storage Capacity: 273,000m^3 (three tanks)

Tentative LNG Sources*: Australia

Possible Markets: Distribution throughout the Southern California Region

Approximate Project Cost: $550 million

Status: The US Coast Guard (USCG, http://www.uscg.mil/USCG.shtm) accepted BHP Billiton's application as complete on 1/27/04 but its application with the State Lands Commission (SLC, www.slc.ca.gov) has not been deemed complete by that state agency, which is however processing the application. The USCG and SLC have developed a website for this project at www.cabrilloport.ene.com. Both federal and state agencies filed a Notice of Intent/Notice of Preparation of a Draft EIS/EIR on 2/24/04. Public scooping meetings were held in Oxnard and Malibu the week of 3/15/04.

Siting Process: A joint EIS/EIR will be prepared with the USCG as NEPA lead agency and the SLC as CEQA lead agency. Other permitting state agencies include the California Coastal Commission which must evaluate the projects consistency with the federal Coastal Zone Management Act. The Governor has the authority to approve or veto the proposed project. Local permitting agencies include City of Oxnard, County of Ventura, and the Ventura County Air Pollution Control District. Under the Deepwater Port Act, the USCG has less than one year to evaluate and reach a decision about project acceptability.

Projected On-Line Date: 2008

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*Sources of LNG are tentative until the final contract is signed.

Sources of information: LNG Solutions/BHP Billiton website; USCG Docket# 16877; Ecology & Environment Cabrillo Port website; California State Lands Commission website.

Crystal Clearwater Port

Southern California Location: The Crystal Clearwater Port Project would be located approximately 12.6 miles offshore of the City of Oxnard, Ventura County in the Santa Barbara Channel.

Owner/Website: Crystal Energy LLC; http://www.crystalenergyllc.com

Project Contacts:
Simon Poulter, Environmental Manager
spoulter@padreinc.com, (805) 683-1233;
Lisa Palmer, Spokesperson
lisapalmer@crystalenergyllc.com (805) 680-2336

Description: Clearwater Port would use existing offshore Platform Grace to import liquefied natural gas (LNG). Reconfiguration of the platform would involve installing an LNG transfer system, a cool down system, six LNG pumps, six LNG vaporizers, and reinstalling and upgrading the platform's power-production capability. LNG would be transported by ship to Platform Grace, where it would be converted back into vapor form. A new SPP floating dock would be installed adjacent to the platform to safely moor LNG vessels during transfer. No additional on-site storage is expected, but if required, Crystal Energy would contract with existing onshore storage facilities.

The natural gas would be delivered from the platform to shore in a new, 13-mile, 32" subsea pipeline, using an existing pipeline corridor to minimize disturbance to the marine environment. The natural gas would come onshore by pipeline to a landing at an existing industrial site, the Mandalay Power Generating Station in Oxnard. From the landfall at Mandalay, a new 12-mile underground pipeline would tie into an existing 30" Southern California Gas Company pipeline at their preferred pipeline tie-in point near Camarillo.

Average Natural Gas Production Capacity: 800 MMcfd

Peak Natural Gas Production Capacity: 1,200 MMcfd

Tentative LNG Sources*: Alaska, Southeast Asia, and Australia

Possible Markets: Southern California

Approximate Project Cost: $300 million

Status: Crystal Energy filed its application with the United States Coast Guard (USCG, http://www.uscg.mil/USCG.shtm) on 1/28/04 and with the State Lands Commission (SLC, www.slc.ca.gov) on 2/10/04. The application is being reviewed by these agencies for completeness.

Siting Process: Once the application is deemed complete and accepted, a joint EIS/EIR will be prepared by with the USCG, as NEPA lead agency, and by the SLC, as CEQA lead agency. Under the Deepwater Port Act, the USCG has less than one year to evaluate and reach a decision about project acceptability. The USCG will

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* Sources of LNG are tentative until the final contract is signed. However, Crystal has signed a Memorandum of Understanding (MOU) with the Alaska Gasline Port Authority (AGPA) to negotiate a LNG supply. Under the agreement, AGPA would supply up to eight hundred million cubic feet (800 MMcfd) of LNG per day. Sources of LNG are tentative until the final contract is signed.

Sources of information: Crystal Energy LLC website; Crystal Energy Deepwater Port Application.

review vessel safety and mooring design. Other federal permitting agencies include the Mineral Management Service. The California Coastal Commission must evaluate the projects consistency with the federal Coastal Zone Management Act, as well as issue a Coastal Development Permit for portions of the project within State Waters. Local permitting agencies include City of Oxnard, County of Ventura, and the Ventura County Air Pollution Control District.

Projected On-Line Date: Early 2007

Energia Costa Azul LNG Facility

Baja California, Mexico Location: The Energia Costa Azul LNG Receiving Terminal project would be located about 14 miles north of Ensenada, on the Costa Azul plateau.

Owner / Website: This project is a 50/50 joint venture between Sempra Energy LNG Corporation and Shell International Gas Limited, http://www.sempra.com/index.htm and http://www.shell.com/home/Framework?siteId=home

Project Manager:
Dale Kelly-Cochrane, (619) 696-4654;
dkelly-cochrane@sempra-slns.com

Description: This project would include a land-based receiving facility and related port infrastructure. The project site has more than 400 acres of undeveloped land, remote from residential areas. There would be two full containment tanks, open rack seawater vaporizers, and a 42-mile 36" to 42" diameter spur pipeline connecting the terminal to the Bajanorte Pipeline.

Average Natural Gas Production Capacity:
1,000 MMcfd

Peak Natural Gas Production Capacity:
1,300 MMcfd

LNG Storage Capacity: 320,000m^3 (two tanks)

Tentative LNG Sources*: Indonesia

Expansion Capabilities: Up to 2,000 MMcfd average with a peak of 2,600 MMcfd (additional permitting required). Site has space for two additional storage tanks.

Possible Markets: Western Mexico, Southern California and Southwestern U.S.

Approximate Project Cost: $610 million (terminal only)

Status: The Energy Regulatory Commission of Mexico (CRE, www.cre.gob.mx) permit and the City of Ensenada's land-use permit were issued in August, 2003. The Secretary of Environment and Natural Resources (SEMARNAT, www.semarnat.gob.mx) environmental permit was issued in April, 2003. As stated in the Phase 1 Comments of Sempra Energy LNG Corp., released March 23, 2004, a temporary injunction that was placed on the project's environmental permit in November, 2003 has been lifted as of March, 2004; and all three of the project's major permits are in full force and effect.

Siting Process: On-shore LNG terminals must obtain three key permits or approvals from Mexican government agencies. The Energy Regulatory Commission (CRE) is responsible for regulating the siting, construction, operation, and ownership of LNG terminals in Mexico. Developers must obtain permission to import gas into Mexico and to build and operate an LNG receiving terminal from CRE. The developer must also prepare an environmental impact assessment and submit it to the Secretariat of Environment and Natural Resources (SEMARNAT). Based on that assessment, SEMARNAT issues an environmental impact authorization (EIA), including impact mitigation conditions. (It also requires LNG terminal developers to

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Sources of information: Sempra Energy website press releases; PRNewswire, December 22, 2003; San Diego Union-Tribune, December 19, 2003; Reuters, December 22, 2003; Phase 1 Comments of Sempra Energy LNG Corp. before the California Public Utilities Commission, March 23, 2004.

conduct a public safety risk study and issues a risk permit as well.) A land-use permit from the local municipality is the third key approval.

Projected On-Line Date: 2007

Terminal GNL Mar Adentro De Baja California

Baja California, Mexico Location: The GNL Mar Adentro de Baja California project would be located eight miles off the coast of Tijuana. It would be approximately six miles off the coast of Playas and 600 meters east of South Coronado Island.

Owner / Website: ChevronTexaco; http://www.chevrontexaco.com/gnlbaja/about/

Project Manager: Carl Atallah, (713) 752-6139, caat@chevrontexaco.com

Description: This import facility would be a gravity-based structure (GBS) including all utility systems required to support operations. Water depth at the proposed site is 65 feet. The terminal would be a fixed 980-foot-long concrete island with two regasification plants, storage tanks, a heliport, and a dock for LNG carriers. At this offshore terminal, the LNG would be regasified using seawater. A new underwater pipeline would connect with Baja California's existing gas pipeline system.

Average Natural Gas Production Capacity: 700 MMcfd

Peak Natural Gas Production Capacity: 1,400 MMcfd

LNG Storage Capacity: 250,000m^3

Tentative LNG Sources*: Western Australia

Possible Markets: Northern Baja California and throughout the North American West Coast

Approximate Project Cost: $650 million

Status: CRE accepted the offshore permit application in July, 2003. An offshore *manifestacion de impacto ambiental* and risk study was submitted October, 2003. SCT licensing is proceeding; a call for prequalification was issued on December 29, 2003.

Siting Process: Off-shore LNG terminals must obtain three key permits or approvals from Mexican government agencies. Developers must obtain a permit to build and operate an LNG receiving terminal from the Energy Regulatory Commission (CRE, www.cre.gob.mx). The developer must also prepare an environmental impact assessment and a public safety risk study and submit them to the Secretariat of Environment and Natural Resources (SEMARNAT, www.semarnat.gob.mx). Based on these assessments, SEMARNAT issues an environmental impact authorization (EIA), including impact mitigation conditions. Ministry of Communications and Transportations (SCT) must grant a concession to use federal waters and to construct the LNG terminal in federal waters. No land-use permit from the local municipality is required for an off-shore terminal, but a pipeline Right of Way is needed from the municipality of pipeline Landfall.

Projected On-Line Date: 2007

*Sources of LNG are tentative until the final contract is signed.

Sources of information: ChevronTexaco GNL Baja website; NGI's Daily Gas Price Index, October 31, 2003; PRNewswire, October 30, 2003; Reuters, October 30, 2003.